



Commodity Futures Trading Commission

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Statement

Opening Statement of Chairman Gary Gensler, Meeting of the Commodity Futures Trading Commission

January 14, 2010

Good morning. This meeting will come to order. This is a public meeting of the Commodity Futures Trading Commission to consider issuance of a proposed rule on energy position limits and hedge exemptions on regulated futures exchanges, derivatives transaction execution facilities and electronic trading facilities. I note for the record that public notice of this meeting was given on January 7, pursuant to the provisions of the Government in the Sunshine Act. I'd like to welcome members of the public, market participants and members of the media to today's meeting, as well as welcome those listening to the meeting on the phone or watching the live webcast.

I would like to thank the staff for all of the work that they have put into drafting today's proposal. The staff worked countless hours on this complex subject, researching the statutory and regulatory history of position limits both in the agricultural and energy markets. They spent a lot of time reviewing how the markets for these commodities function and the economic research on it. I thank them for their thoughtful recommendation for how the Commission can best comply with its statutory obligations and to promote the fair and orderly functioning of the markets.

In addition, the staff has done a thorough review of how the agency and the exchanges have granted exemptions from limits and the comments submitted in response to a spring concept release, and they have provided a thorough recommendation on how to bring uniformity to these exemptions.

Today's meeting is an important step in a long process. It builds upon earlier work of the Commission, when, under Acting Chairman Dunn, it issued a concept release on risk management exemptions. It follows upon the important hearings we had last summer with regard to energy position limits. Should the Commission vote on this proposed rulemaking, there will be a 90-day public comment period during which the Commission will accept comments on the proposal. Instructions to submit comments are available on our website at www.cftc.gov.

I'd also like to thank my fellow Commissioners for their input. Their comments to the staff have been thoughtful and constructive in arising at today's proposal.

Separately, the Commission is interested in hearing from the public as to issues related to the trading of futures and options in the precious metals markets, such as silver and gold, and to consider the appropriateness of position limits in those markets. I hope to have a public meeting on this separate topic in the beginning of March.

General Counsel Dan Berkovitz will now provide background on the agency's history of setting position limits and appropriate hedging exemptions. The CFTC's Director of Surveillance, Steve Sherrod, will then present the details of the proposed rulemaking. Both will then take questions from the Commission.